## **PX** 9

## DECLARATION OF JACK MAMIYE PURSUANT TO 28 U.S.C. § 1746

I, Jack Mamiye, hereby state that I have personal knowledge of the facts set forth below and am competent to testify about them. If called as a witness, I could and would testify as follows:

- 1. I am over 18 years old. I live in Oakhurst, New Jersey.
- 2. I purchased a Bitcoin mining machine from Butterfly Labs via PayPal in or around April 2013 for \$1378. At the time of my purchase, the Butterfly Labs website stated that the expected delivery time for this purchase would be 1 2 months. Because of this representation on Butterfly Labs' website, I expected to receive the machine before the end of June 2013.
- 3. I decided to make this purchase because the Butterfly Labs website stated that the specifications for this machine would be more cost-effective for Bitcoin mining than other machines on the market. According to information posted on Butterfly Labs' website, the machine I ordered was expected to mine approximately \$4,000 worth of Bitcoin per month.
- 4. After I placed my order with Butterfly Labs, I frequently read the forums on Butterfly Labs' website, as well as e-mails sent to me by Butterfly Labs. These forum posts and e-mails indicated that my machine would be delivered in or around December 2013. Because of this significantly delayed delivery date, I no longer wanted to receive the machine from Butterfly Labs. If my order was delivered in December 2013, the machine would be useless because it could not mine enough Bitcoins to turn a profit, on account of increasing difficulty.
- 5. After I placed my order with Butterfly Labs, I kept track of Bitcoin statistics, including difficulty, monetary value, and network hash rate, by reading various websites devoted to Bitcoin-related topics. I noticed from these websites that the network difficulty for mining Bitcoin increased substantially after I had placed an order from Butterfly Labs. In addition, I

read on these websites that the number of machines mining Bitcoin using Butterfly Labs' mining architecture was increasing at a very high rate. However, forum posts on the Butterfly Labs website showed that Butterfly Labs was not shipping nearly enough machines to account for this increase.

- 6. In or around August 2013, after waiting for my order for approximately 5 months, I sent an e-mail to Butterfly Labs requesting a refund of my order. Butterfly Labs rejected my refund request. Following this initial rejection, I called and e-mailed Butterfly Labs many times to ask for a refund, but the Butterfly Labs representatives with whom I spoke were always very adamant about not issuing refunds.
- 7. After Butterfly Labs denied my refund request, I filed a dispute with PayPal over my Butterfly Labs purchase. I called PayPal's customer service and communicated with a division of PayPal that deals specifically with Butterfly Labs refunds.
- 8. Approximately 10 days after filing my dispute with PayPal, I received a full refund of my order from PayPal.
- 9. I preferred a refund of my Butterfly Labs order to delivery of the machine, if it ever came, because I knew I would never mine enough Bitcoin to make a profit with that machine. As stated previously, Bitcoin mining difficulty increases over time, and the delay in my machine's delivery rendered it useless.
- 10. After I obtained the refund from PayPal for the Butterfly Labs purchase, my dashboard on the Butterfly Labs website changed to "refund issued."

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed this	18	day of November, 2014, in Oakhurst, New Jersey
		day of November, 2014, in Oakitatsi, New Jersey

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